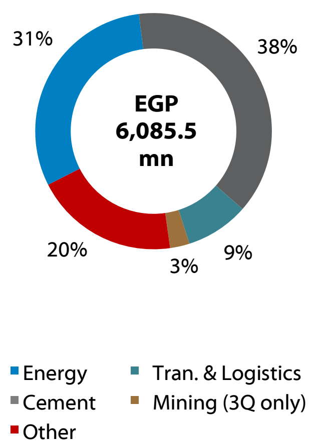
Qalaa Holdings Reports 3Q/9M 2015 Results

Qalaa's Total Revenues climb 31% y-o-y in 9M15 and EBITDA rises an impressive 71% to EGP 780 million during the same period; continued progress on asset divestment programs and increased bandwidth being allocated to proven winners

Highlights Consolidated Income Statement	
3Q 2015	
Revenues EGP 2,051.2 mn vs. EGP 1,726.6 mn in 3Q14	Contribution Margin 38%
EBITDA EGP 214.5 mn vs. EGP 235.9 mn in 3Q14	Net Profit After Minority EGP (125.5) mn vs. EGP (59.5) mn in 3Q14
9M 2015	
Revenues EGP 6,085.5 mn vs. EGP 4,654.1 mn in 9M14	Contribution Margin 38%
EBITDA EGP 779.6 mn vs. EGP 455.7 mn in 9M14	Net Profit After Minority EGP (322.4) mn vs. EGP (470.1) mn in 9M14

Highlights from Consolidated Balance Sheet as at 30 September, 2015	
Total Assets EGP 38,227.9 mn vs. EGP 32,415.2 mn in FY14	Total Equity EGP 12,270.3 mn vs. EGP 12,226.2 mn in FY14

QALAA HOLDINGS CONSOLIDATED REVENUES 9M15



"[...]we are pressing ahead with plans to divest non-core assets that will allow us to devote maximum attention to our proven winners"

Financial & Operational Highlights

- **Total Revenues** climbed 19% y-o-y in 3Q15 to EGP 2,051.2 million, while for the nine-month period revenues came in at EGP 6,085.5 million, up 31% compared to 9M14.

- **Contributors to Revenues** in 9M15 were weighted toward the cement (38%) and energy (31%) segments, buoyed by strong performances from business units ASEC Cement and TAQA Arabia.

- **Contribution margin** stood at c. 38% in 3Q15.

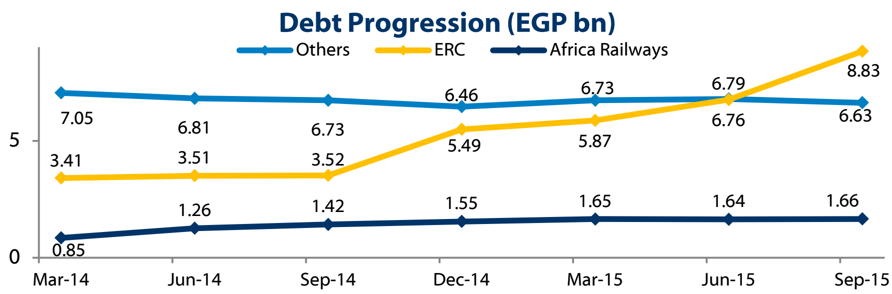
- **EBITDA** for the third quarter declined 9% y-o-y to EGP 214.5 million compared to 3Q14, the first decline following its upward progression from 1Q14 through 2Q15. The decrease comes on the back of Qalaa's exit from Misr Cement Qena which had been positively contributing to the share of associates account above the EBITDA line. Moreover, 3Q15 also witnessed two Eid Holidays — Eid El Fitr and Eid El Adha — leading to less working days during the quarter and consequently affected cement revenues and EBITDA, with the latter coming in lower by EGP 67 million q-o-q. Factoring out the decline in the cement sector's contribution, Qalaa's 3Q15 EBITDA would stand at EGP 280 million, up 19% y-o-y. **On a nine months basis**, Qalaa posted EBITDA growth of 71% y-o-y to EGP 779.6 million.

- **Net Loss after Minority Interest** stood at EGP 125.5 million in 3Q15 and narrowed 31% year-on-year in 9M15 to EGP 322.4 million. The bottom-line was primarily weighed-down by interest expenses, which are expected to decline substantially following deleveraging in the wake of exits in the fourth quarter. The bottom line for the nine-month period also reflects EGP 120.5 million in charges from discontinued operations.

- **Qalaa began the full balance sheet consolidation of ASCOM's results** in 2Q15, with the latter's income statement being consolidated starting the third quarter, contributing some EGP 162 million to Qalaa's top-line. The consolidation comes on the back of the ASCOM capital increase concluded in June 2015, to which Qalaa subscribed.

- In light of exits concluded during the nine-month period (including Misr Cement Qena), in addition to exits concluded in the fourth quarter (among them ASEC Minya, ASEC Ready-Mix) and with the expected closure of Rashidi El-Mizan's exit within the coming weeks, **management expects EBITDA to reach c. EGP 925-975 million in FY2015**, compared to the previously stated EGP 1.2 billion, which did not account for the impact of the exits currently in the pipeline.

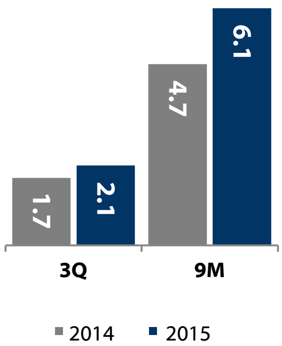
- The company reported **Consolidated Bank Debt** as at 30 September 2015 of EGP 6.63 billion, down from EGP 6.79 billion in June 2015 and excluding EGP 8.8 billion related to Egyptian Refining Company (ERC) and EGP 1.7 billion to Rift Valley Railways (RVR). Total Bank Debt as at 30 September, 2015, stood at EGP 17.1 billion with **Total Equity** at EGP 12.3 billion.



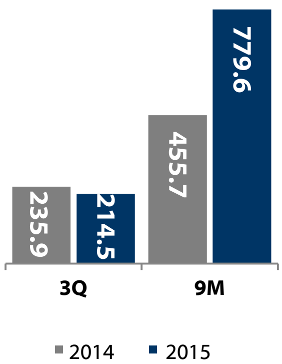
Management's comment on 9M2015 results follows, as do overviews of the performance of different business units. Full financials are now available for download at ir.qalaaholdings.com.

Management Comment:

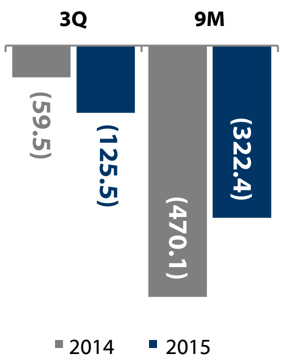
REVENUE PROGRESSION (Y-o-Y)
(EGP bn)



EBITDA PROGRESSION (Y-o-Y)
(EGP mn)



NET PROFIT PROGRESSION (Y-o-Y)
(EGP mn)



Qalaa Holdings (CCAP on the Egyptian Exchange, formerly Citadel Capital) released today its consolidated financial results for the quarter ending 30 September 2015, reporting revenues of EGP 2,051.2 million, up 19% compared to the same quarter last year. On a nine-month basis, revenues climbed 31% y-o-y in 9M15 to EGP 6,085.5 million.

Revenue growth in the 9M15 was driven by both cement manufacturing arm ASEC Cement and energy distribution business TAQA Arabia. TAQA Arabia posted a 36% rise in revenues to EGP 1,713.2 million in the period, while ASEC Holding saw its top line grow 30% to 2,338.6 million. Growth in the third quarter was comparatively muted. An oversupply of cement in the market sent average selling prices down 7% across the industry, while the two Eid Holidays during the quarter also saw activity in the cement sector ease. ASEC Cement revenues were down fractionally at EGP 440.3 million for the period as a result. TAQA Arabia reported a solid 10.0% rise in its top line, closing the quarter at EGP 589.7 million as solid growth in the household gas business offset supply-related challenges at the industrial business. Together, the energy and cement divisions contributed some 69% of total revenues in 9M15. Qalaa also began the full consolidation of ASCOM in 3Q15, with latter contributing EGP 162 million to Qalaa's top-line.

EBITDA meanwhile stood at EGP 779.6 million in nine-month period of 2015, a 71% increase over 9M14. Above the EBITDA line, Qalaa Holdings consolidated a share in associates' results of EGP 98 million in 9M15, largely resulting from the contributions of Misr Cement Qena (EGP 50.8 million) and Algeria's Zahana Cement (EGP 26.7 million).

During the nine-month period, Qalaa concluded the sale of its 27.5% stake in Misr Cement Qena, which resulted in a gain from sale of investment equivalent to EGP 101 million. The transaction also saw proceeds being utilized to deleverage at the ASEC Cement level, with debt reduced by EGP 238 million in 2Q15 and EGP 127 million in 3Q15.

Qalaa continues to press forward with its strategy of divesting non-core investments across its footprint, with several exits concluded during the fourth quarter of year. Qalaa's Agrifoods business unit Gozour has signed sale and purchase agreements (SPAs) for the sale of 100% of confectioner Rashidi El-Mizan — for a total consideration (equity value) of EGP 518 million — as well as for the divestment of RIS assets in Sudan and El-Misrieen in Egypt for enterprise values of US$ 4.3 million and EGP 50 million, respectively; these transactions will result in the deconsolidation of a total EGP 257 million in debt from Gozour's balance sheet.

Furthermore, Qalaa has also reduced its exposure to the cement sector as management's focus is to allocate its full bandwidth to core energy units, namely Egyptian Refining Company and TAQA Arabia. In addition to the Misr Cement Qena exit concluded in 2Q15, Qalaa's business unit ASEC Cement concluded in 4Q15 the c. EGP 1 billion sale of its stakes in subsidiaries ASEC Minya Cement and ASEC Ready Mix. The sale of ASEC Minya & Ready-mix will result in a total of c. EGP 940 million in debt deconsolidated at the ASEC Cement consolidated level.

Meanwhile, business unit Mashreq has signed an agreement with the General Authority of the Suez Canal Economic Zone for the transfer of a concession contract. The agreement covers a 210,000 square meter plot of land in East Port Said awarded for the construction on a build-operate-transfer basis of a liquid bulk terminal at East Port Said. The Suez Canal Authority will compensate Qalaa for costs incurred in relation to the project.

"With ERC — Egypt's largest in-progress private-sector megaproject due to begin production in 2017 — and TAQA Arabia pursuing exciting new opportunities in gas distribution, electricity generation and renewable energy alike, we are pressing ahead with plans to divest non-core assets that will allow us to devote maximum attention to our proven winners," said Qalaa Holdings Chairman and Founder Ahmed Heikal. "In parallel, we are looking for opportunities to unlock shareholder value at subsidiaries including ASCOM and Rift Valley Railways that have strong growth outlooks."

Qalaa's subsidiary MENA Glass Ltd. remains in negotiations for the sale of 100% of its stake in Misr Glass Manufacturing Company (MGM). Meanwhile, Qalaa's agreement with Financial Holding International (FHI) — an asset exchange that will see Qalaa divest from non-core and non-essential assets while increasing its stakes in core businesses — will close in early 2016 after an agreed upon two-month delay to finalize certain conditions.

"The sale of ASEC Cement's Egyptian assets and the transaction with FHI will fundamentally re-shape Qalaa's financials, giving more weight on both our income statement and balance sheet to ongoing operations at our energy and mining units and setting the stage for the transformative impact of ERC," said Qalaa Holdings Co-Founder and Managing Director Hisham El-Khazindar. "The near-full impact of the substantial deleveraging that accompanies these transactions will be felt in our 4Q15 and 1Q16 financials."

The company reported a net loss after tax and minority interest of EGP 125.5 million in the third quarter of 2015, a two-fold increase compared to 3Q14's loss of EGP 59.5 million. The widening of losses y-o-y owes primarily to an increase in bank interest expense by EGP 30 million related to ASCOM's consolidation, as well as an increase of EGP 27 million in booked provisions related to ARESCO and ASEC Automation. On a nine months basis, however, bottom-line losses narrowed by 31% to EGP 322.4 million compared to 9M14 figure of EGP 470.1 million. It is worth noting that during 9M15 the company booked charges totaling EGP 120.5 million in discontinued operations, c.EGP 74 million are related to Agrifoods business units that have either been exited in the fourth quarter or are earmarked for sale.

Liabilities held for sale related to ESACO — discontinued operation under ASEC Holding — declined by EGP 270 million on account of the EGP 260 million debt-equity swap concluded in Qalaa's latest capital increase of EGP1.1 billion, as well as a cash payment of EGP 10 million.

Meanwhile, total debt levels excluding ERC and RVR declined to EGP 6.63 billion on the back of continued deleveraging, with debt reduction to further accelerate in FY15 — by c. EGP 1.2 billion — post the sale of ASEC Minya and Rashidi El-Mizan. ERC's total debt climbed to EGP 8.8 billion as at 30 September, 2015, on the back of draw downs totaling EGP 2.07 billion during the third quarter of 2015. Construction at ERC is well underway with 76% progress as of November 2015 and with on-spec production to commence by the second half of 2017.

Key milestones in the build-out of ERC include:

8,268 workers on site	**13,754,322** on-site man hours	**96** cranes on site
386 pieces of equipment installed	**71,998** m^3 of concrete	**10,046** tons of steel erected

Strategy: Financial & Operational Risk Reduction

Qalaa reiterates its commitment to its current strategy, which has focused on deleveraging at the holding and platform company levels; acquiring additional stakes in key platform companies and selective investments within existing platform companies.

Key elements of Qalaa Holdings' strategy include:

- **Deleveraging** at the holding and platform company levels
- **Acquisition** of additional stakes in key platform companies
- **Selective investments** within existing platform companies, including:
    - TAQA's expansion into solar and gas fired power generation, which is to be financed through TAQA's own resources.
    - Rift Valley Railways (RVR).
    - ASCOM Precious Metals, Qalaa's gold discovery in Ethiopia.
- **Share Buybacks:** Management is mindful of the opportunity to create value through share buybacks, and intends to use proceeds from exits post deleveraging to acquire Qalaa shares for so long as these trade at a significant discount to their fair market value.

The aforementioned elements are to be financed through:

- **Sale of Assets:** Qalaa is in advanced stages of divestments including Misr Glass Manufacturing, Dina Farms Op Co. — which will eventually be spun-off with the farm and fresh milk operations — as well as discontinued operations, mainly Enjoy. Meanwhile negotiations are progressing for the sale of ASEC Cement's operations in Algeria, with a state owned Algerian company in the cement industry being the natural buyer for Zahana Cement as it already owns 65% of the company, and greenfield plant Djelfa is being pursued by two Algeria-based industrial groups. The company reiterates its stance that further divestments will be executed if needed.

Detailed overviews of the performance of operational companies in each of Qalaa's core industries follow; complete financials are available for download on ir.qalaaholdings.com

Methods of Consolidation

Fully Consolidate Companies	**Core**	Energy	TAQA Arabia, tawazon, ERC
		Cement	asec holding
		Transportation & Logistics	NILE Logistics, AFRICA RAILWAYS
		Mining	ASCOM Geology & Mining
	Non-Core	Agrifoods	Gozour, WAFRA
		MicroFinance	Tanmeyah
		Specialized Real Estate	BONYAN Development and Trade
		Metallurgy	U.C.F. United Company For Foundries
Equity Method Consolidated Companies (Share of Associates)	**Non-Core**	Glass Manufacturing	GlassWorks
		Mid-cap Buyouts	GRANDVIEW Investment Holdings Corp
		Media & Retail	Tanweer

Qalaa Holdings Consolidated Income Statement (in EGP mn)

	2015				2014			
	1Q	2Q	3Q	9M	1Q	2Q	3Q	9M
Revenue	1,947.5	2,086.8	2,051.2	6,085.5	1,366.9	1,560.6	1,726.6	4,654.1
Cost of Sales	(1,473.1)	(1,591.0)	(1,607.1)	(4,671.2)	(1,128.8)	(1,134.3)	(1,312.9)	(3,576.0)
Gross Profit	**474.5**	**495.7**	**444.1**	**1,414.3**	**238.1**	**426.3**	**413.8**	**1,078.2**
Advisory fee	3.2	3.2	3.6	10.0	4.4	3.6	6.0	13.9
Share in Associates' Results	34.8	44.8	18.5	98.0	20.1	38.2	11.5	69.8
Total Operating Profit	**512.4**	**543.7**	**466.2**	**1,522.3**	**262.6**	**468.1**	**431.2**	**1,161.9**
SG&A	(241.2)	(249.4)	(266.3)	(756.9)	(219.0)	(210.0)	(215.4)	(634.7)
Other Income/Expenses (Net)	2.7	(2.7)	24.7	24.6	15.0	(72.6)	50.1	(7.5)
EBITDA (before one-offs)	**273.8**	**291.6**	**224.5**	**789.9**	**58.6**	**185.5**	**266.0**	**519.7**
SG&A (Non recurring)	2.0	(2.3)	(10.0)	(10.3)	(29.6)	(4.3)	(30.1)	(64.0)
EBITDA	**275.8**	**289.3**	**214.5**	**779.6**	**29.0**	**181.2**	**235.9**	**455.7**
Depreciation & Amortization	(105.5)	(90.6)	(120.8)	(316.9)	(103.5)	(119.3)	(91.7)	(314.5)
EBIT	**170.3**	**198.7**	**93.7**	**462.7**	**(74.5)**	**61.9**	**144.1**	**141.1**
Bank Interest Expense	(165.8)	(185.9)	(214.4)	(566.2)	(171.1)	(178.3)	(164.3)	(513.8)
Bank PIK	(25.0)	(26.2)	(23.5)	(74.7)	(24.0)	(24.0)	(24.0)	(72.0)
3rd Party Shareholder Bank Fees	(10.6)	(9.6)	(10.4)	(30.6)	-	-	-	-
3rd Party Shareholder Interest	(1.9)	(1.8)	(1.0)	(4.6)	(13.6)	(19.6)	(18.1)	(51.3)
Interest Income	21.4	16.4	31.2	69.0	21.2	19.7	17.9	58.8
Lease Payments	(3.4)	(3.8)	(3.7)	(10.8)	-	-	-	-
EBT (before one-offs)	**(15.1)**	**(12.1)**	**(128.0)**	**(155.2)**	**(262.0)**	**(140.5)**	**(44.3)**	**(437.2)**
Gain (Loss) on Sale of Investments	(10.5)	67.5	33.1	90.2	-	-	85.0	85.0
Impairments/Write-downs	(4.1)	(2.0)	(2.3)	(8.5)	-	-	(1.7)	(1.7)
Restructuring/Layoffs	(9.4)	(0.5)	(2.1)	(12.0)	-	(9.6)	-	(9.6)
CSR	(6.4)	(6.2)	(4.2)	(16.8)	-	-	(23.5)	(23.5)
Provisions	(13.8)	(22.9)	(37.7)	(74.4)	-	-	(10.7)	(10.7)
Discontinued Operations *	(58.6)	(43.9)	(18.0)	(120.5)	(97.2)	(37.3)	(9.3)	(143.9)
FOREX	(53.1)	(10.1)	(29.5)	(92.7)	13.4	(35.8)	(68.8)	(91.2)
EBT	**(170.9)**	**(30.2)**	**(188.8)**	**(389.9)**	**(345.8)**	**(223.2)**	**(73.4)**	**(632.8)**
Taxes	(41.2)	(59.1)	(17.4)	(117.7)	(9.2)	(19.3)	(25.7)	(54.1)
Net P/L Before Minority Share	**(212.0)**	**(89.3)**	**(206.2)**	**(507.5)**	**(355.0)**	**(242.4)**	**(99.1)**	**(686.9)**
Minority Interest	(99.9)	(4.6)	(80.6)	(185.1)	(123.1)	(54.1)	(39.6)	(216.8)
Net Profit (Loss)	**(112.2)**	**(84.7)**	**(125.5)**	**(322.4)**	**(231.9)**	**(188.3)**	**(59.5)**	**(470.1)**

* Discontinued operations include ESACO, Djelfa (ASEC Cement), El-Aguizy, Elmisrieen, Enjoy, Mom's Foods (all Gozour), and Designopolis (MENA Home).

Qalaa Holdings Consolidated Income Statement by Sector for the nine months ending 30 September 2015 (in EGP mn)

			Core							Non Core						
			Energy				Cement	Transportation & Logistics	Mining	Agrifoods		Microfinance	Others			
	QH	SPVs	TAQA Arabia	Tawazon	ERC	Mashreq	ASEC Holding	Nile Logistics & Africa Railways	ASCOM*	Gozour	Wafra	Tanmeyah	Misc^	Elimination	9M 2015	9M 2014
Revenue	-	-	1,713.2	143.7	-	-	2,338.6	527.0	161.9	981.7	0.9	94.0	124.5	-	6,085.5	4,654.1
Cost of Sales	-	-	(1,449.7)	(118.7)	-	-	(1,729.9)	(455.6)	(143.4)	(678.3)	(1.3)	-	(94.4)	-	(4,671.2)	(3,576.0)
Gross Profit	**-**	**-**	**263.5**	**25.0**	**-**	**-**	**608.7**	**71.4**	**18.5**	**303.5**	**(0.4)**	**94.0**	**30.1**	**-**	**1,414.3**	**1,078.2**
Advisory fee	66.2	11.0	-	-	-	-	-	-	-	-	-	-	-	(67.3)	10.0	13.9
Share in Associates' Results	-	-	-	-	-	-	77.6	2.5	-	-	-	-	-	17.9	98.0	69.8
Total Operating Profit	**66.2**	**11.0**	**263.5**	**25.0**	**-**	**-**	**686.3**	**74.0**	**18.5**	**303.5**	**(0.4)**	**94.0**	**30.1**	**(49.4)**	**1,522.3**	**1,161.9**
SG&A	(123.0)	(46.2)	(70.5)	(8.3)	(17.8)	(10.5)	(197.9)	(68.7)	(21.6)	(174.5)	(4.6)	(59.5)	(12.9)	59.0	(756.9)	(634.7)
Other Income/Expenses (Net)	-	(2.2)	(3.7)	0.3	0.5	0.1	23.9	(0.7)	1.0	2.4	0.7	2.0	0.2	-	24.6	(7.5)
EBITDA (before one-offs)	**(56.8)**	**(37.4)**	**189.4**	**17.0**	**(17.3)**	**(10.4)**	**512.3**	**4.6**	**(2.1)**	**131.4**	**(4.3)**	**36.5**	**17.3**	**9.6**	**789.9**	**519.7**
SG&A (Non recurring)	(10.3)	-	-	-	-	-	-	-	-	-	-		-	-	(10.3)	(64.0)
EBITDA	**(67.1)**	**(37.4)**	**189.4**	**17.0**	**(17.3)**	**(10.4)**	**512.3**	**4.6**	**(2.1)**	**131.4**	**(4.3)**	**36.5**	**17.3**	**9.6**	**779.6**	**455.7**
Depreciation & Amortization	(1.6)	(0.0)	(30.3)	(7.8)	(0.4)	(0.1)	(112.3)	(76.3)	(21.8)	(43.1)	(5.0)	(3.2)	(9.3)	(5.8)	(316.9)	(314.5)
EBIT	**(68.7)**	**(37.4)**	**159.1**	**9.2**	**(17.7)**	**(10.5)**	**399.9**	**(71.6)**	**(23.9)**	**88.3**	**(9.3)**	**33.3**	**8.0**	**3.8**	**462.7**	**141.1**
Bank Interest Expense	(98.2)	(21.0)	(20.8)	(1.5)	-	(0.2)	(183.4)	(156.7)	(30.2)	(47.7)	-	(0.2)	(6.2)	-	(566.2)	(513.8)
Bank PIK	-	(17.8)	-	-	-	-	(56.9)	-	-	-	-	-	-	-	(74.7)	(72.0)
3rd Party Shareholder Bank Fees	-	-	-	-	(30.6)	-	-	-	-	-	-	-	-	-	(30.6)	-
3rd Party Shareholder Interest	-	(127.1)	-	-	(4.1)	-	(9.8)	(10.3)	(1.0)	(13.6)	-	-	(13.9)	175.4	(4.6)	(51.3)
Interest Income	70.4	94.7	72.0	-	0.9	0.5	10.9	0.1	-	4.0	-	3.3	0.1	(187.9)	69.0	58.8
Lease Payments	-	-	-	-	-	-	-	(6.3)	-	(4.5)	-	-	-	-	(10.8)	-
EBT (before one-offs)	**(96.6)**	**(108.6)**	**210.4**	**7.7**	**(51.5)**	**(10.3)**	**160.7**	**(244.9)**	**(55.1)**	**26.5**	**(9.3)**	**36.5**	**(12.0)**	**(8.7)**	**(155.2)**	**(437.2)**
Gain (Loss) on Sale of Investments	(5.3)	(68.1)	-	-	-	-	100.7	-	-	-	-	-	-	62.9	90.2	85.0
Impairments/Write-downs	-	(6.2)	-	(0.3)	-	-	(0.9)	-	(1.9)	(0.5)	-	-	-	1.4	(8.5)	(1.7)
Restructuring/Layoffs	-	-	(1.7)	-	-	-	-	(9.7)	-	(0.6)	-	-	-	-	(12.0)	(9.6)
CSR	(6.0)	-	(4.3)	-	-	-	(5.5)	-	-	-	-	(1.0)	-	-	(16.8)	(23.5)
Provisions	-	(25.6)	(14.5)	(1.0)	-	-	(21.9)	-	(0.6)	(10.9)	-	-	-	-	(74.4)	(10.7)
Discontinued Operations **	-	-	-	-	-	-	(15.9)	-	-	(73.6)	-	-	(50.9)	19.9	(120.5)	(143.9)
FOREX	41.6	1.9	(2.9)	(0.5)	(0.7)	1.8	(152.7)	(25.5)	25.1	21.5	1.2	-	(24.6)	21.1	(92.7)	(91.2)
EBT	**(66.2)**	**(206.6)**	**187.0**	**5.9**	**(52.1)**	**(8.5)**	**64.4**	**(280.2)**	**(32.5)**	**(37.6)**	**(8.1)**	**35.5**	**(87.4)**	**96.6**	**(389.9)**	**(632.8)**
Taxes	(0.3)	10.7	(48.7)	1.7	-	-	(57.8)	-	2.0	(16.5)	-	(9.7)	2.0	(1.0)	(117.7)	(54.1)
Net P/L Before Minority Share	**(66.5)**	**(195.9)**	**138.3**	**7.6**	**(52.1)**	**(8.5)**	**6.6**	**(280.2)**	**(30.5)**	**(54.1)**	**(8.1)**	**25.7**	**(85.4)**	**95.6**	**(507.5)**	**(686.9)**
Minority Interest	-	-	34.8	3.6	(9.1)	(2.3)	98.6	(31.4)	(1.7)	0.0	(0.3)	-	(0.3)	(277.1)	(185.1)	(216.8)
Net Profit (Loss)	**(66.5)**	**(195.9)**	**103.5**	**4.0**	**(43.1)**	**(6.2)**	**(92.0)**	**(248.8)**	**(28.8)**	**(54.1)**	**(7.8)**	**25.7**	**(85.1)**	**372.7**	**(322.4)**	**(470.1)**

* Figures represent three months only, as Qalaa Holdings increased its stake in ASCOM as of June 2015.
** Discontinued operations include ESACO, Djelfa (ASEC Holding), El-Aguizy, Elmisrieen, Enjoy, Mom's Foods (Gozour), Designopolis (MENA Home) and Crondall (Misc.).
^ Miscellaneous includes United Foundries, Designopolis (MENA Home), Crondall.

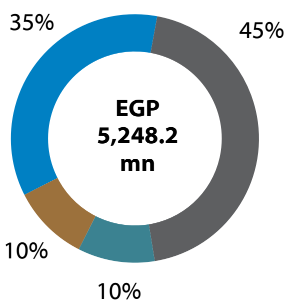
Qalaa Holdings Consolidated Balance Sheet as at 30 September 2015 (in EGP mn)

		Core									Non Core						
		Energy				Cement	T & L		Mining	Agrifoods						
	QH	ERC	TAQA Arabia	Tawazon	Mashreq	ASEC Holding	Nile Logisics	Africa Railways	ASCOM	Gozour	Wafra	Tanmeyah	Misc *	Eliminations/ SPVs	9M 2015	FY 2014
Current Assets																
Trade and Other Receivables	1,623.7	31.1	915.4	89.8	5.9	884.4	63.6	319.1	186.3	302.3	25.3	57.1	244.7	(1,531.6)	3,217.0	3,163.5
Inventory	-	-	118.3	45.5	-	768.0	12.8	24.9	55.2	143.4	6.3	-	28.6	-	1,203.0	1,047.2
Assets Held For Sale	-	-	-	-	-	983.6	-	-	-	130.9	-	-	572.2	619.9	2,306.7	1,382.9
Cash and Cash Equivalents	208.5	2,329.0	679.5	9.0	18.6	147.8	2.6	71.3	15.6	27.2	0.4	64.1	0.9	11.2	3,585.7	2,182.1
Others	-	-	90.5	-	2.8	16.3	-	-	-	20.8	1.1	-	-	1.3	132.8	207.8
Total Current Assets	**1,832.2**	**2,360.1**	**1,803.6**	**144.3**	**27.3**	**2,800.1**	**78.9**	**415.3**	**257.1**	**624.7**	**33.1**	**121.2**	**846.4**	**(899.2)**	**10,445.1**	**7,983.5**
Non-Current Assets																
PP&E	24.9	14,536.8	505.6	91.6	121.5	2,916.4	597.2	227.5	657.9	985.1	234.6	12.5	61.0	606.4	21,579.3	17,866.9
Investments	8,980.2	-	2.3	-	-	401.3	8.7	-	0.1	-	-	-	-	(8,219.3)	1,173.3	2,517.5
Goodwill / Intangible assets	-	-	402.3	32.6	48.0	194.9	-	934.7	247.7	276.2	-	-	-	1,370.9	3,507.4	2,986.9
Others	718.2	880.6	34.6	-	-	28.4	-	239.9	-	201.1	-	-	127.6	(707.5)	1,522.9	1,060.5
Total Non-Current Assets	**9,723.3**	**15,417.4**	**944.8**	**124.3**	**169.5**	**3,541.1**	**605.9**	**1,402.2**	**905.8**	**1,462.4**	**234.6**	**12.5**	**188.6**	**(6,949.5)**	**27,782.9**	**24,431.8**
Total Assets	**11,555.4**	**17,777.5**	**2,748.4**	**268.6**	**196.7**	**6,341.2**	**684.8**	**1,817.5**	**1,162.9**	**2,087.1**	**267.7**	**133.7**	**1,035.0**	**(7,848.7)**	**38,227.9**	**32,415.2**
Shareholders' Equity																
Total Equity Holders of the Company	**8,616.1**	**3,948.2**	**1,013.4**	**96.7**	**146.5**	**(956.5)**	**(107.3)**	**(379.7)**	**368.7**	**316.3**	**(339.0)**	**55.0**	**45.8**	**(9,133.2)**	**3,691.1**	**3,421.4**
Minority Interest	-	3,797.7	293.2	51.7	25.1	1,998.9	23.8	-	(33.1)	0.0	(9.0)	-	-	2,430.8	8,579.1	8,804.8
Total Equity	**8,616.1**	**7,745.9**	**1,306.6**	**148.4**	**171.6**	**1,042.3**	**(83.5)**	**(379.7)**	**335.6**	**316.3**	**(347.9)**	**55.0**	**45.8**	**(6,702.4)**	**12,270.3**	**12,226.2**
Current Liabilities																
Borrowings	1,156.8	-	183.5	14.4	-	483.8	312.4	228.3	437.1	345.5	26.8	-	59.7	348.2	3,596.5	2,753.3
Trade and Other Payables	665.6	734.4	855.0	60.0	21.2	1,597.5	224.7	357.3	248.9	641.6	572.5	77.5	128.4	(1,223.0)	4,961.5	3,987.7
Provisions	190.7	-	37.4	32.2	3.8	169.6	7.7	-	17.0	24.4	2.1	1.1	5.4	26.5	517.8	489.6
Liabilities Held For Sale	-	-	-	-	-	254.2	-	-	-	498.6	-	-	541.6	(250.9)	1,043.4	937.9
Total Current Liabilities	**2,013.1**	**734.4**	**1,075.9**	**106.5**	**25.1**	**2,505.1**	**544.8**	**585.6**	**703.0**	**1,510.1**	**601.3**	**78.6**	**735.1**	**(1,099.2)**	**10,119.2**	**8,168.5**
Non-Current Liabilities																
Borrowings	926.6	8,829.7	185.7	-	-	1,374.4	131.3	1,435.0	45.6	75.7	14.3	-	-	508.2	13,526.4	10,828.9
Shareholder Loan	-	-	-	-	-	1,330.5	92.1	-	65.5	152.7	-	-	248.2	(1,020.5)	868.5	792.8
Long-Term Liabilities	(0.3)	467.5	180.3	13.6	-	88.8	0.2	176.6	13.2	32.3	-	0.1	6.0	465.2	1,443.5	399.0
Total Non-Current Liabilities	**926.2**	**9,297.1**	**366.0**	**13.6**	**-**	**2,793.8**	**223.5**	**1,611.6**	**124.3**	**260.8**	**14.3**	**0.1**	**254.2**	**(47.1)**	**15,838.5**	**12,020.6**
Total Liabilities	**2,939.3**	**10,031.6**	**1,441.8**	**120.2**	**25.1**	**5,298.9**	**768.3**	**2,197.2**	**827.3**	**1,770.8**	**615.6**	**78.7**	**989.2**	**(1,146.3)**	**25,957.7**	**20,189.0**
Total Equity and Liabilities	**11,555.4**	**17,777.5**	**2,748.4**	**268.6**	**196.7**	**6,341.2**	**684.8**	**1,817.5**	**1,162.9**	**2,087.1**	**267.7**	**133.7**	**1,035.0**	**(7,848.7)**	**38,227.9**	**32,415.2**

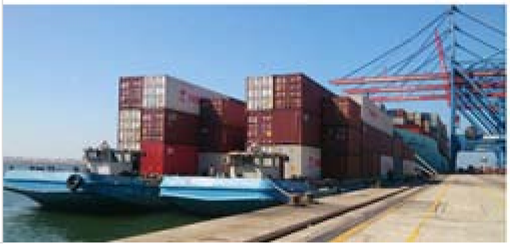
* Miscellaneous includes United Foundries, Mena Home and Crondall.

Operational Reviews

SECTOR CONTRIBUTION TO CORE PLATFORM REVENUES (9M15)
(in EGP mn)



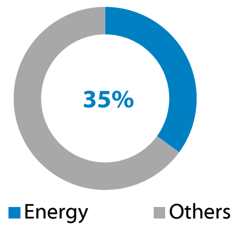
Energy	1,856.9
Cement	2,338.6
Trans. & Logistics	527.0
Mining	525.7



Sector Review: Energy

Qalaa Holdings' operational core Energy companies include TAQA Arabia (energy generation and distribution) and Tawazon (solid waste management / waste-to-energy). Pre-operational greenfields include Egyptian Refining Company (petroleum refining).

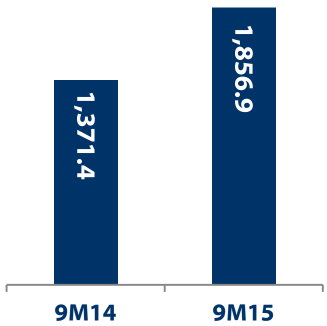
Energy Percent of Core Platform Revenues (9M15)



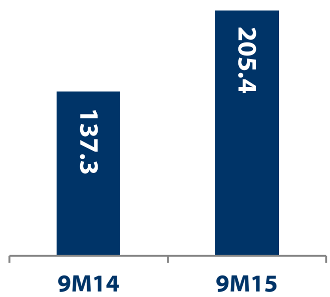
Operational and Financial Performance

Energy division Revenues climbed 35% y-o-y in 9M15 to EGP 1,856.9 million as compared to EGP 1,371.4 million in 9M14. EBITDA also recorded a growth of 49.6% to EGP 205.4 million in 9M15. Improved results in the year are attributable to better performance across both operational platform companies TAQA Arabia and Tawazon.

Energy Revenues[1]
EGP 1,856.9 mn
(9M15)



Energy EBITDA[1]
EGP 205.4 mn
(9M15)



(EGP mn unless otherwise stated)	3Q14	3Q15	% diff	9M14	9M15	%diff
TAQA Arabia Revenues	534.5	589.7	*10%*	1,259.8	1,713.2	*36%*
TAQA Arabia EBITDA	41.3	63.4	*53%*	121.3	189.4	*56%*
Tawazon Revenues	49.8	51.8	*4%*	111.6	143.7	*29%*
Tawazon EBITDA	7.7	2.5	*(68%)*	16.0	16.0	-

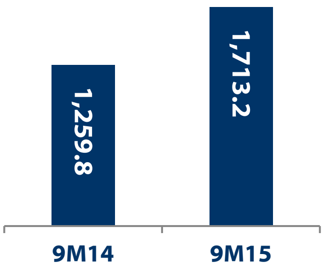
[1] Energy revenues and EBITDA are aggregate figures, representing the simple summation of TAQA Arabia and Tawazon's figures, as these are the only two operational companies within the Energy sector.

QH OWNERSHIP — 62.5%

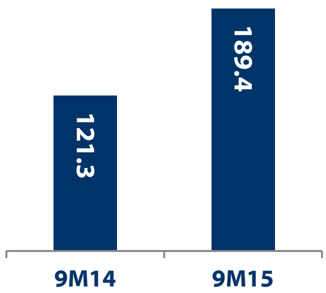
TAQA Arabia Revenues jump 36% y-o-y in 9M15

Egypt's leading independent energy company reported strong operational results for 9M15, with revenues continuing to be driven by strong results from its power and marketing arms, which recorded revenue growth of 38% and 43% y-o-y, respectively. Meanwhile, TAQA's gas arm also reported revenue growth of 12% in 9M15, despite a slowdown in industrial gas sales.

Consolidated TAQA Arabia
Revenues
EGP 1,713.2 mn
(9M15)



Consolidated TAQA Arabia
EBITDA
EGP 189.4 mn
(9M15)



TAQA Arabia's revenues showed a 10% y-o-y increase in 3Q15 to EGP 589.7 million vs. EGP 534.5 million in the comparable period last year. The company's EBTIDA for the quarter stood at EGP 63.4 million, up by a significant 53% over 3Q14. On a nine month basis, revenues came in at EGP 1,713.2 million, up 36% y-o-y, while EBTIDA showed a 56% y-o-y increase standing at EGP 189.4 million.

Marketing was TAQA's highest yielding division in 9M15, contributing 54% to the company's top-line. Revenues for the marketing arm recorded EGP 921.1 million in 9M15, a 43% increase over the same period last year thanks to new filling station additions driving higher sales. The improved performance also showed on the division's EBITDA which came in 61% higher y-o-y in 9M15, on the back of improved margins, to stand at EGP 29.6 million. On a quarterly basis, the division posted revenues of EGP 318.5 million, up 7% y-o-y, with EBITDA climbing 44% y-o-y in 3Q15 to EGP 12.5 million. Sales of refined fuel products during the nine-month period grew by 13% y-o-y to 474 million liters, while intensified marketing efforts also saw lube sales jump 37% to 2,368 tons in 9M15, up from 1,730 tons in the same period last year.

Revenues from TAQA's Power division also turned a solid 38% y-o-y increase in 9M15 to EGP 378.5 million, with EBITDA up by 59% y-o-y to EGP 88.9 million. Revenues in 3Q15 recorded a 16% y-o-y to EGP 155.2 million while EBITDA jumped 47% y-o-y to EGP 35.7 million. TAQA Arabia Power was awarded a three-year distribution, operation and maintenance (O&M) contract from Emaar Egypt to serve its Uptown Cairo compound, the developer's largest project in Egypt. Meanwhile, the division is also making headway with its plan to invest in a solar power plant, capitalizing on the Egyptian government's introduction of new solar power tariffs.

Revenues from gas distribution and construction reported a 12% y-o-y increase in 9M15 to EGP 353.6 million, with EBITDA also climbing 18% y-o-y to EGP 85.1 million. The improvement in financial performance comes despite an overall decline in gas volumes which closed the nine-month period at 2.2 BCM, 25% lower compared to 9M14's 3.0 BCM. Lower volumes have persisted since the beginning of 2015 primarily as a result of reduced industrial demand owing to a nation-wide gas shortage. However, the gas arm's performance was buoyed by higher domestic (household) gas sales which increase by 30% in 9M15, offsetting the decline in industrial activity. The total number of converted households clients increased by 14% in 9M15 to stand at a cumulative total of 698 thousand. TAQA Gas has also entered into an agreement with EGAS for the construction of a gas network in the city of Beni Sueif, in addition to reaching the final stages of negotiations with several touristic compounds.

TAQA Arabia Subsidiaries (EGP mn)	**3Q14**	**3Q15**	***% diff***	**9M14**	**9M15**	***% diff***
TAQA Arabia Power Revenues	134.2	155.2	*16%*	273.9	378.5	*38%*
TAQA Arabia Power EBITDA	24.3	35.7	*47%*	56.1	88.9	*59%*
TAQA Arabia Gas Revenues	94.8	106.6	*12%*	316.7	353.6	*12%*
TAQA Arabia Gas EBITDA	15.3	26.4	*72%*	71.9	85.1	*18%*
TAQA Marketing Revenues	298.1	318.5	*7%*	645.5	921.1	*43%*
TAQA Marketing EBITDA	8.7	12.5	*44%*	18.4	29.6	*61%*

Total Power Generated & Distributed* (3Q15)

232.7
M kW/hr
▲28% y-o-y

Total Gas Distributed (3Q15)

0.7
BCM
▼13% y-o-y

Total Liquid Fuels Distributed (3Q15)

161.8
M Liters
▲7% y-o-y

Gas Construction (9M15)

39,028
Converted Customers
▼10% y-o-y

Fueling Stations (Sept 2015)

40
Stations
vs. 37 as at Sept. 2014

* Of the total, 67.8% is distributed while the remainder is generated.

tawazon

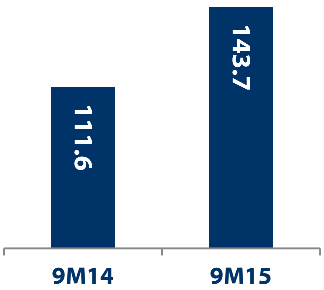
QH OWNERSHIP — 68.1%

Tawazon Revenues rise 29% y-o-y to EGP 143.7 mn in 9M15

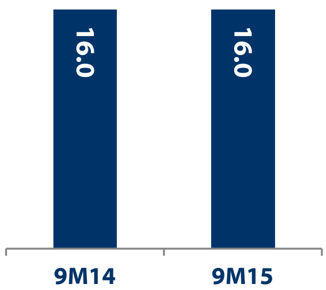
Tawazon, Qalaa Holdings' solid waste management subsidiary, reported revenues of EGP 143.7 million, up 29% y-o-y from EGP 111.6 million in 9M14. The improved performance was driven by both of Tawazon's subsidiaries **ECARU** and **ENTAG**. EBITDA for the nine-month period remained flat y-o-y at EGP 16 million, as a 68% drop in 3Q15 offset growth recorded at the EBITDA level in the first half of the year.

Tawazon's wholly-owned subsidiary **ECARU**, posted revenues of EGP 108.5 million in 9M15, up 17% y-o-y, despite an industry-wide production stoppage in cement plants to install coal-feeding systems earlier in the year. Total biomass supplied increased 20% q-o-q in 3Q15 to 43,820 tons compared to 36,564 tons in 2Q15, and posted a 15% increase y-o-y compared to 38,241 tons in 3Q14. The y-o-y tonnage increase comes despite reduced quantities supplied to one of ECARU's cement clients that has undergone its annual maintenance during 3Q15. ECARU's EBITDA in 3Q15 slipped 14% y-o-y to EGP 6.5 million, however, on a nine months basis EBITDA climbed 10% y-o-y to EGP 18.8 million in 9M15. Going forward the company aims to capture the increasing demand for RDF from cement plants, with orders already being supplied to Lafarge.

Consolidated Tawazon
Revenues
EGP 143.7 mn
(9M15)

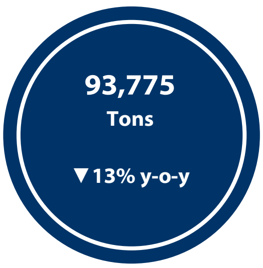


Consolidated Tawazon
EBITDA
EGP 16.0 mn
(9M15)



ENTAG saw revenues leap almost two-fold in 9M15 to reach EGP 40.9 million, compared to EGP 20.6 million during the same period last year. At the EBITDA level, however, the company posted a negative EGP 3.6 million as it faced cost overruns related to its USD 6.9 million contract for the design and construction of a sanitary landfill in the Omani city of Salalah. ENTAG has opted to incur charges related to changes in initial designs for the project as management acknowledges that this is the first project of its kind to have been awarded to ENTAG.

Total Biomass Supplied (ECARU) (9M15)



ERC

QH OWNERSHIP — 18.9%

Construction progress for Egyptian Refining Company as of November 2015 stands at 76%

Egyptian Refining Company (ERC) is building a US$ 3.7 billion greenfield petroleum refinery in the Greater Cairo Area (GCA) to begin operations during 2017 with 2018 to be the refinery's first full year of operations. GS Engineering & Construction Corp, the general contractors for the project, took full receipt of the project site in early 2014; construction progress was 76% at the end of November 2015. Qalaa Holdings expects ERC to generate EBITDA of c. US$ 700 million in its first full operational year. Qalaa increased its effective ownership in ERC from 15.2% to 18.9% following the recently concluded capital increase in Sept/Oct 2015.

ERC continues to receive heavy equipment — including process reactors, fractionators and drums — at Al-Adabiya Port in Egypt's Gulf of Suez. The company has also begun deploying the received equipment to the construction site. The photograph above shows the Hydrocracker Reactor, the heaviest and largest piece of equipment to ever reach Egypt's ports, weighing 1200 tons. It is currently being transported from Al-Adabiya Port in Egypt's Gulf of Suez to Mostorod in the Greater Cairo Area. ERC's site currently has the biggest crane to ever enter Egypt with a 1600 tons lifting capacity. ERC meanwhile withdrew USD 1,347 million in debt financing — from its extended facility totaling USD 2,500 million — as at October 2015. Key milestones in the build-out of ERC include:

8,268
workers on site

13,754,322
on-site man hours

96
cranes on site

386
pieces of equipment

7,102
piles completed

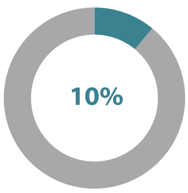
71,998
m^3 of concrete

10,046
tons of steel erected

Sector Review: Transportation & Logistics

Qalaa Holdings' operational core Transportation & Logistics companies include Nile Logistics (sea port services in Egypt as well as river transportation in Egypt, Sudan and South Sudan) and Rift Valley Railways (the national railway of Kenya and Uganda).

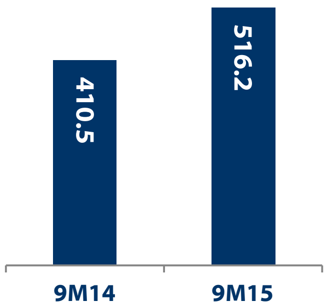
Sector Percent of Core Platform Revenues (9M15)



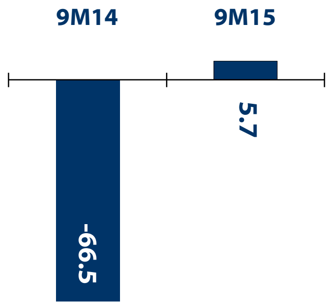
Operational and Financial Performance

The Transportation & Logistics division posted aggregate revenues of EGP 516.2 million in 9M15, a 26% increase over the EGP 410.5 million recorded last year. The sector's aggregate EBITDA came in at EGP 5.7 million in 9M15 as compared to a negative EGP 66.5 million in the same period last year.

Trans. & Logistics Revenues[2]
EGP 516.2 mn
(9M15)



Trans. & Logistics EBITDA[2]
EGP 5.7 mn
(9M15)



(EGP mn unless otherwise stated)	3Q14	3Q15	% diff	9M14	9M15	%diff
Nile Logistics Revenues	19.6	30.3	55%	45.8	49.9	9%
Nile Logistics EBITDA	4.1	(1.6)	n/a	0.2	0.5	166%
Nile Barges South Sudan Revenues (in USD mn)	-	-	-	-	0.6	n/a
Nile Barges South Sudan EBITDA (in USD mn)	(0.3)	(0.2)	26%	(1.0)	(0.1)	91%

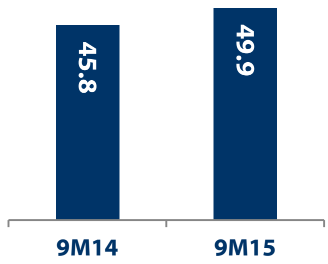
[2] Revenue and EBITDA figures represent the aggregate / simple summation of Nile Logistics and Africa Railways results.

NILE LOGISTICS

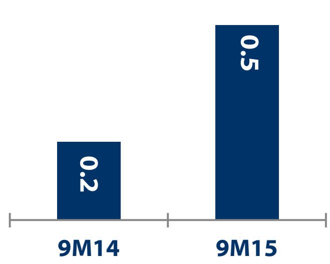
QH OWNERSHIP — 67.6%

Nile Logistics reports 9% y-o-y revenue growth to EGP 49.9 million in 9M15

Revenues
EGP 49.9 mn
(9M15)



EBITDA
EGP 0.5 mn
(9M15)



For the first nine-months of 2015, **Nile Logistics** posted revenues of EGP 49.9 million, up 9% y-o-y compared to the same period last year. The increase comes on the back of improved pricing power compared to last year, and is despite a drop in Anchorage Services (stevedoring) during the period as a result of tightened regulations on foreign currency supply. As mentioned in our 2Q15 Business Review, foreign currency shortages that persisted since last March saw some of Nile Logistics' cement clients — which had contracted the company's stevedoring services — cancel their clinker / coal shipments. Stevedoring tons handled during 9M15 decreased by 11% y-o-y to 694 thousand tons. On a quarterly basis, higher prices and a gradual improvement in stevedoring volumes in 3Q15 — only a 3% y-o-y decline in total tons handled — saw revenues climb 55% y-o-y EGP 30.3 million.

Meanwhile, Nile Logistics' Feeder Services saw volume of Twenty-foot Equivalent Units (TEUs) handled record a remarkable 76% y-o-y improvement to 21,694 TEUs in 9M15. The progress during 9M15 is largely thanks to increased capacity with the addition of a third barge in April 2015, but was also driven by the company's strategy to diversify its client portfolio and introduce new shipping lines to its matrix, which minimizes risk and ensures the sustainability of operational volumes regardless of turbulence faced in any one industry.

The growth in TEUs during the nine month period comes despite a slowdown in the third quarter when total TEUs stood at 6,044 compared to 7,377 in the same period last year. The decreased activity during the quarter is owing to a decline in global trade volumes in general, as well as a nation-wide shortage in foreign currency, which together saw the overall number of containers arriving at Port Said decrease.

Stevedoring Tons Handled (9M15)

694
K Ton
▼11% y-o-y

Container Transshipment (9M15)

21,694
TEU
▲76% y-o-y

QH OWNERSHIP — 29.7%

Rift Valley Railways takes possession of last batch of GE locomotives

During the 9M15 period, **Rift Valley Railways** received all 20 of its new GE locomotives, the first batch to arrive in East Africa since 1987 and a key upgrade to the continent's transportation capacity. RVR's hauling capacity — which witnessed a 12% y-o-y increase in 9M15 — is expected to double going forward as the new locomotives are fully utilized.

Meanwhile, the company's three-point turnaround strategy continues to bear fruit with higher levels of goods being transported at higher speed, as the rolling stock continues to improve. During the 9M15 period, RVR was able to: (1) reduce cycle times through direct investments in infrastructure and improvements to efficient asset utilization; and (2) increase the haulage capacity of RVR through purchasing new (and rehabilitating old) rolling stock. Specifically, operations improved in the following ways:

- Net Ton Kilometers (NTK), a function of the total volume moved (in tons) multiplied by the total distance that volume was moved (in kilometers), rose 22% y-o-y to reach 1,011 million NTK in 9M15.
- Over the same period, the volume of cargo RVR moved increased by 12% to 986 thousand tons.

Furthermore, Total Transit time (TT), which is the time needed to move a shipment from origin to destination (for offloading) plus the time needed to move the wagons back to the origin (for loading), fell tremendously.

- Along the Mombasa-Nairobi-Mombasa route, average total transit time for the various wagon classes dropped by 16% y-o-y to 2.4 days in 9M15.
- On the Mombasa-Kampala-Mombasa route, average total transit time fell by 3% over the same period to become 9.6 days.

During 2015, RVR also successfully achieved the concession target of 1,987 million NTK set forth by both the Kenyan and the Ugandan governments for the 21-month period ending March 2015.

Net Ton-Kilometer Rail (9M15)

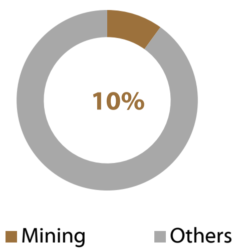
1,011
mn

▲22% y-o-y

Sector Review: Mining

Qalaa Holdings' operational core platform in the Mining sector is ASCOM, which includes operating companies ASCOM (as standalone and leading provider of quarrying services), ASCOM for Chemicals and Carbonates Manufacturing (ACCM), ASCOM Precious Metals (APM), GlassRock, and ASCOM Sudan. Starting 2Q15, ASCOM's balance sheet was fully consolidated with Qalaa Holdings, while the consolidation of its income statement took effect starting 3Q15.

Sector Percent of Core Platform Revenues (9M15)



Operational and Financial Performance

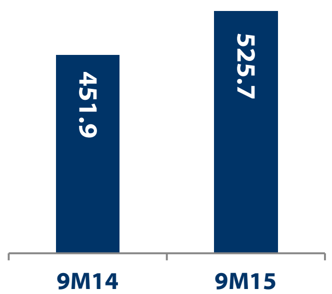
ASCOM's consolidated revenues increased 16% y-o-y to reach EGP 525.7 million in 9M15. EBITDA, however, turned a negative EGP 0.4 million compared to a positive EGP 32.4 million in the same period last year.

ASCOM GEOLOGY & MINING

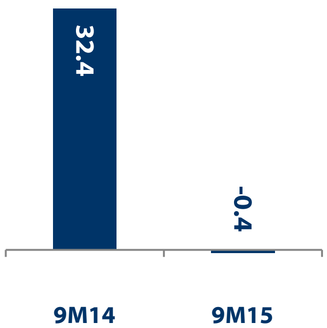
QH OWNERSHIP — 54.7%

ASCOM revenues record growth of 16% y-o-y in 9M15

ASCOM Consolidated Revenues
EGP 525.7 mn
(9M15)



ASCOM Consolidated EBITDA
EGP (0.4) mn
(9M15)



ASCOM Subsidiaries (EGP mn unless otherwise stated)	3Q14	3Q15	% diff	9M14	9M15	%diff
ACCM Revenues (in USD mn)	5.2	4.3	*(18%)*	14.9	13.8	*(8%)*
ACCM EBITDA (in USD mn)	1.0	0.1	*(93%)*	3.0	2.3	*(22%)*
GlassRock Revenues (in USD mn)	1.0	0.8	*(21%)*	3.1	3.1	-
GlassRock EBITDA (in USD mn)	(0.6)	(0.4)	*(37%)*	(1.2)	(1.1)	*(10%)*
Egypt Quarrying Revenues	84.4	84.9	*1%*	257.6	298.9	*16%*
Egypt Quarrying EBITDA	2.6	2.8	*5%*	20.1	21.9	*9%*
Other Quarry Management Revenues - ex Egypt*	29.3	24.6	*(16%)*	66.1	97.5	*48%*
Other Quarry Management EBITDA - ex Egypt*	(1.4)	(14.7)	*n/a*	(3.3)	(30.5)	*n/a*

ACCM's revenues recorded an 8% y-o-y decline in 9M15 to USD 13.8 million compared to USD 14.9 in the same period last year. The decline in revenues was also reflected on EBITDA which decreased by 22% in 9M15 to USD 2.3 million. The slowdown in performance comes as challenges in the African market, largely due to currency issues – from a weakened South African Rand to a USD shortage in Ghana and Nigeria – began to take a toll on ACCM's export volumes. In 3Q15 ACCM's volumes stood at 60 thousand tons, down 6% y-o-y. Furthermore, while ACCM's operations in India are starting to gain momentum following a slow start, increased competition and aggressive pricing is adversely affecting margins.

ASCOM's **other quarry management and services** business — primarily in Sudan — saw a significant drop in EBITDA y-o-y on the back of a malfunction in its main crusher. Generating almost 60% of revenue and yielding above average margins , the crusher witnessed a stoppage in operation from August to mid-October, leaving EBITDA at a negative EGP 14.7 million in 3Q15, and consequently affecting ASCOM's consolidated EBITDA which came in at a negative EGP 0.4 million in 9M15. However, the crusher has undergone maintenance and has been operational round the clock since mid-October to compensate for these losses.

In mining, ASCOM has several concessions in Sudan and Ethiopia that it uses for exploration of gold, silver and copper. At its western Ethiopian concession, ASCOM's exploration drilling yielded very promising results and the company released its Maiden Mineral Resource Estimate putting gold resources in place at a total of 1.7 million ounces at 1.5 grams per ton. ASCOM is embarking on further exploration drilling work on site as well as on a full bankable feasibility study which should precede a full mining license and ultimately a gold production facility.

ACCM Volumes Sold (9M15)

181.4
K Ton
▼3% y-o-y

Egypt Quarrying Business Volumes Sold (9M15)

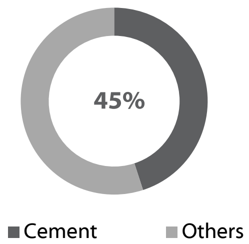
23.0
mn Ton
▼3% y-o-y

Sectors Under Divestment: Cement

Sector Review: Cement

Qalaa Holdings' operational core Cement platform company is ASEC Holding, which includes cement manufacturing (ASEC Cement with production facilities: Al-Takamol Cement in Sudan; ASEC Minya and ASEC Ready Mix in Egypt; Zahana Cement Co. and Djelfa (under construction) in Algeria; construction (ARESCO, ASEC Automation) and technical management (ASEC Engineering and ASENPRO).

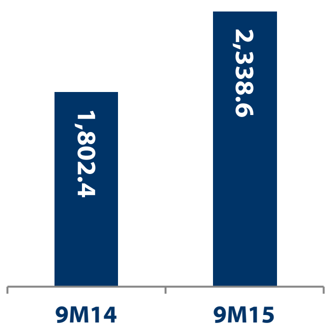
Sector Percent of Core Platform Revenues (9M15)



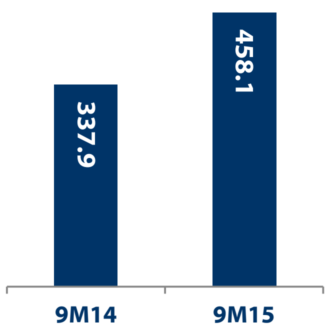
Operational and Financial Performance

The Cement sector includes three divisions: Cement, Construction and Management. ASEC Holding saw a 12% y-o-y rise in consolidated revenues in 3Q15 to EGP 706.9 million. During the 9M15 period, Qalaa reduced its exposure to the cement industry, with ASEC Holding concluding the sale of business unit Misr Cement Qena, as well exiting ASEC Minya and ASEC Ready-Mix in an c.EGP 1 billion deal. ASEC's remaining cement holdings include Sudan's Al Takamol plant with a 1.6 MTPA capacity in addition to its two Algerian units Zahana and Djelfa which are currently being divested.

ASEC Holding Consolidated Revenues
EGP 2,338.6 mn
(9M15)



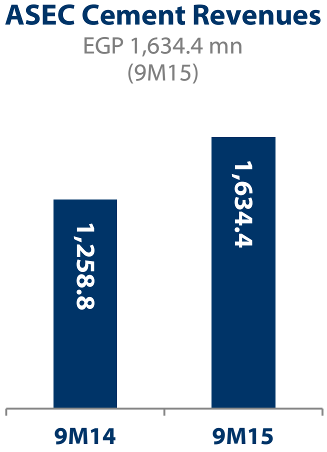
ASEC Holding Consolidated EBITDA
EGP 458.1 mn
(9M15)

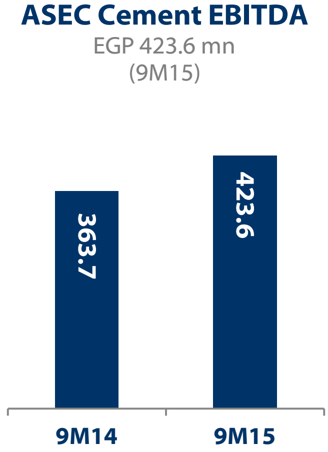


ASEC CEMENT

ASEC HOLDING OWNERSHIP — 59.9%

ASEC Cement reports 30% y-o-y growth in 9M15 Revenues despite lower cement prices





ASEC Cement's sales revenues climbed 30% y-o-y to reach EGP 1,634.4 million in 9M15, driven largely by increased sales volumes, and also owing to improved performance at Sudan's Al Takamol which saw revenues increase 116% y-o-y in 9M15 to EGP 603.8 million. Meanwhile, business units operating in the local market saw their increased production offset by falling cement prices on the back of an overall increase in market supply. Local cement producers are now able to ramp-up production as conventional fuel supply — HFO and diesel — is now becoming more consistent, as well as some producers completing their conversion to coal. This was particularly evident during 3Q15 were ASEC Minya's somewhat flat volumes are overshadowed by a 7% drop in average selling prices from EGP 625/ ton to EGP 581/ton, leaving 3Q15 revenues down by some 17% to EGP 238 million compared to EGP 288.3 million in the same period last year. The cement segment's EBTIDA for the nine month period came in at EGP 423.6 million, up 16% y-o-y. On a quarterly basis, EBITDA, however, showed a 26% y-o-y decline standing at EGP 95.9 million, largely on the back lower cement prices.

ASEC Minya's revenues for the first nine months of 2015 inched up slightly to EGP 843.1 million compared to EGP 829.8 million in the same period last year. The flat performance is a result of the improved performance in 1Q15 — when revenues were up 41% y-o-y on the back of higher volumes — being offset by lower selling prices in the second and third quarters of year which saw revenues decrease by 11% and 17%, respectively. Total volumes sold during 9M15 stood at 1.45 million tons, up 9% y-o-y.

ASEC Ready Mix saw revenues increase 50% y-o-y in 9M15 to EGP 145.1 million on the back of a 40% increase in concrete production buoyed by the opening of the company's fifth batch plant. The increase in revenues was also reflected on EBITDA which came in 63% higher y-o-y in 9M15 at EGP 19.2 million.

During 3Q15, ASEC Cement concluded the sale of its holdings in subsidiaries ASEC Minya and ASEC Ready Mix — representing 46.5% and 55%, respectively — to Misr Cement Qena for a total consideration of c.EGP 1 billion. It is also worth noting that during 2Q15 ASEC Cement divested its 27.5% stake in Misr Cement Qena for a total value of EGP 600 million, which were used to pay-off all of ASEC Cement's debts and intercompany loans with the balance distributed to the shareholders.

Al-Takamol Cement continues to show significant improvement every quarter with production volumes and revenues increasing 34% and 43% y-o-y, respectively in 3Q15. On a nine months basis, the Sudan based operation saw revenues increase more than two-fold to EGP 603.8 million compared to EGP 280 million in the same period last year. It is worth noting that during 3Q15 Al Takamol faced temporary fuel shortages which affected volumes q-o-q and consequently saw revenues and EBITDA decline by 34% and 22%, respectively compared to 2Q15. However, thanks to the Sudanese government's efforts to make fuel supplies more readily, the shortage has since been resolved and total production for 9M15 stood at 0.55 MTPA, up 66% y-o-y. Meanwhile, 9M15 EBITDA climbed an impressive 201% y-o-y to EGP 145.3 million. Al-Takamol continues to hold over 25% share of Sudan's cement market after regaining its second place standing in December 2014.

ASEC Cement Subsidiaries (EGP mn)	3Q14	3Q15	*% diff*	9M14	9M15	*%diff*
Asec Minya Revenues	288.3	237.9	*(17%)*	829.8	843.1	*2%*
Asec Minya EBITDA	90.9	40.3	*(56%)*	271.2	187.8	*(31%)*
Al-Takamol Cement Co. Revenues	108.2	154.4	*43%*	280.0	603.8	*116%*
Al-Takamol Cement Co EBITDA	23.9	42.2	*76%*	48.2	145.3	*201%*
ASEC Ready Mix Revenues	34.6	49.4	*43%*	96.7	145.1	*50%*
ASEC Ready Mix EBITDA	3.5	7.1	*106%*	11.8	19.2	*63%*
Zahana (Algeria) Revenues*	101.8	96.3	*(5%)*	234.9	274.6	*17%*
Zahana (Algeria) EBITDA*	43.9	45.6	*4%*	85.3	124.5	*46%*

** Zahana is consolidated using the equity method (share of associates)*

Total Sales Volume (ASEC Minya) (9M15)

1.45
MTPA
▲9% y-o-y

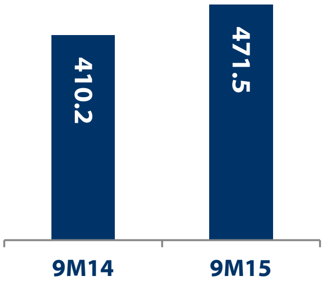
Total Sales Volume (Al-Takamol) (9M15)

0.55
MTPA
▲66% y-o-y

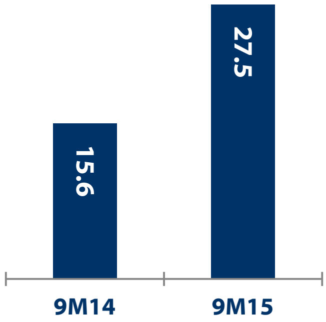
ASEC HOLDING OWNERSHIP — 99.9%

ASEC Engineering Revenues climb 15% y-o-y; EBITDA turns a strong 76% y-o-y growth in 9M15

ASEC Engineering Revenues
EGP 471.5 mn
(9M15)

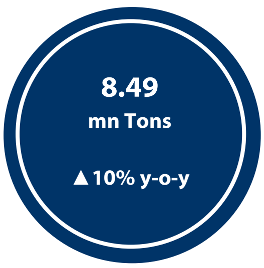


ASEC Engineering EBITDA
EGP 27.5 mn
(9M15)



ASEC Engineering manages plants in Egypt with a combined capacity of 13.5 MTPA, with 9M15 production standing at 8.5 million tons, up 10% y-o-y on the back of improvements at all managed projects as fuel supply became more consistent. Operational improvements were reflected on the company's financial results, both on a quarterly and nine month basis. ASEC Engineering reported revenues for 3Q15 of EGP 156.3 million, and 9M15 of EGP 471.5 million, up 6% and 15% y-o-y, respectively. EBITDA for the 9M15 climbed an impressive 76% to EGP 27.5 million, with the enhanced performance owing to improved operational efficiency and reduced fixed costs, higher fee per ton and significant contributions from overseas projects.

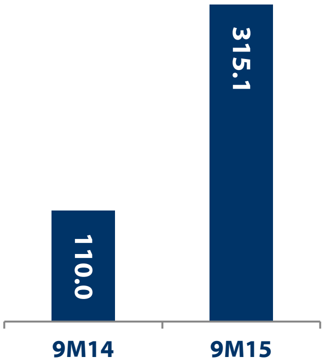
Managed Clinker Production (9M15)



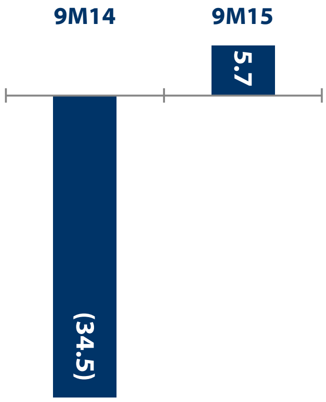
ASEC HOLDING OWNERSHIP — 99.9%

ARESCO reports four-fold increase in Revenues to EGP 134.6 million in 3Q15

ARESCO Revenues
EGP 315.1 mn
(9M15)



ARESCO EBITDA
EGP 5.7 mn
(9M15)



ARESCO's revenues in 3Q15 stood at EGP 134.6 million, an almost 4x increase over the EGP 34.92 million recorded in 3Q14. Meanwhile, the company recorded a 186% y-o-y increase in 9M15 revenues to EGP 315.1 million. Revenues continue to be supported by ARESCO's solid backlog of contracts that were primarily awarded in 4Q14. EBITDA in 3Q15 turned to a positive EGP 15.7 million, compared to a negative EGP 3.1 million in the same quarter last year, and also reversing 1H15's negative figure of EGP 10 million, leading the nine month period in 2015 to close with a positive EGP 5.7 million. ARESCO closed 9M15 with a backlog of c. EGP 1.35 billion compared to EGP 767.5 million in 9M14.

Total Construction Backlog (ARESCO) (9M15)

Sectors Under Divestment: Agrifoods

Agrifoods companies include Gozour (multicategory agriculture and consumer foods) and Wafra (agriculture in Sudan and South Sudan). Wafra faces difficulties in operations ranging from political and civil conflicts in South Sudan to technical problems in Sudan and hence its figures have been excluded from this review.

In the wake of management's decision to treat the agrifoods sector as non-core, Qalaa has appointed leading investment bank EFG Hermes as sell-side advisors for the sales of Dina Farms and Rashidi El Mizan. As of November, 2015, Gozour had signed a sale and purchase agreement (SPA) - with Saudi Arabia's Olayan Financing Company and its subsidiaries - for the sale of 100% of confectioner Rashidi El-Mizan, for a total consideration (equity value) of EGP 518 million; Qalaa Holdings currently has an effective ownership of 55% in Rashidi El-Mizan. Meanwhile, Gozour's business unit in Sudan, Rashidi for Integrated Solutions, signed an SPA the sale of its two Halawa and Biscuits plants in Sudan to a Sudanese investor at an enterprise value of US$ 4.25 million. Qalaa Holdings currently has an effective ownership of 55% in Rashidi Integrated Solutions.

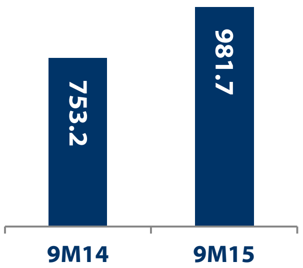
Last but not least, Gozour has also signed a sale and purchase agreement (SPA) to divest its full 100% holding in Misr October for Food Industries (El-Misrieen), an Egyptian manufacturer of cheese products. Qalaa had previously fully written-down the value of its investment in El-Misrieen, which ceased operations in 2012.

The company is also in the process of divesting Dina Farms and the two remaining discontinued operations, namely Enjoy. Qalaa has announced that it will retain the retail supermarkets business owned by Dina Farms.

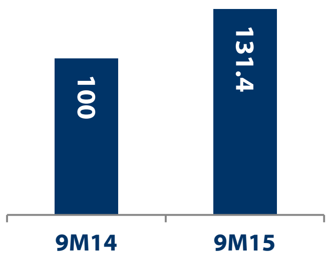
QH OWNERSHIP — 43.1%

Gozour reports 30% y-o-y growth in 9M15 Revenues

Consolidated Gozour Revenues
EGP 981.7 mn
(9M15)



Consolidated Gozour EBITDA
EGP 131.4 mn
(9M15)



Gozour reported revenues of EGP 981.7 million in 9M15, up 30% y-o-y compared to 9M14's EGP 753.2 million. Improvements in revenues were also reflected on the company's EBITDA which posted a 31% y-o-y increase in 9M15 to EGP 131.4 million. As of 30 September, 2015, Gozour subsidiaries included confectioner Rashidi El-Mizan, the farm and fresh milk companies that operate under the Dina Farms brand and ACST which owns and operates Dina Farms' retail supermarket chains.

Gozour Subsidiaries (EGP mn)	3Q14	3Q15	% diff	9M14	9M15	%diff
Rashidi El-Mizan Revenues	116.6	118.2	*1%*	342.7	385.8	*13%*
Rashidi El-Mizan EBITDA	16.9	17.0	*1%*	45.5	52.9	*16%*
Dina Farms Revenues	74.9	77.8	*4%*	292.0	303.9	*4%*
Dina Farms EBITDA	23.0	22.0	*(4%)*	82.4	86.5	*5%*
ICDP Revenues (Fresh Dairy producer)	28.0	35.2	*26%*	81.9	101.0	*23%*
ICDP EBITDA	12.3	5.6	*(55%)*	17.4	17.0	*(2%)*
ACST Revenues (Retail Supermarkets)	37.3	76.5	*105%*	86.6	201.0	*132%*
ACST EBITDA	1.3	0.6	*(57%)*	1.7	5.1	*189%*

- In Egypt, leading regional confectioner **Rashidi El-Mizan (REM)** saw revenues increase 13% y-o-y to EGP 385.8 million in 9M15, reflecting the rebound in the halawa business during the first nine months of 2015.
- **Dina Farms** reported a 4% y-o-y increase in revenues in 9M15 to EGP 303.9 million, with EBITDA also inching up 5% y-o-y to EGP 86.5 million during the same period. The somewhat flat results are considered normal with the current season's hot weather typically affecting herd productivity, as well as the close of the potato season which typically constitutes the bulk of agriculture revenues.
- **ICDP**, which markets Dina Farms' fresh dairy produce, recorded a 26% and 23% y-o-y increase in revenues for 3Q15 and 9M15 which came in at EGP 35.2 million and EGP 101 million, respectively.
- **ACST** (Dina Farms Retail) saw revenues increase 132% y-o-y in 9M15 to EGP 201 million. The retail chain's EBITDA also turned impressive growth coming in at EGP 5.1 million in 9M15, up 189% y-o-y. Total number of outlets currently stands at 23 stores, up 109% y-o-y compared to the 11 stores operating during the same period last year.

Rashidi El Mizan Sales (9M15)

19,984
SKUs in Tons
▲12% y-o-y

Dina Farms Sales (9M15)

53,024
Tons raw milk
▲11% y-o-y

Dina Farms Total Herd* (9M15)

16,253
Cows
▲5% y-o-y

* Of which 6,721 are milking cows

ICDP Sales (9M15)

Dina fresh dairy producer

10,041
SKUs in Tons
▲23% y-o-y

Retail Stores / Retail Space (9M15)

23 / 9,285
 # / sqm
11/ 3,245
(9M14)

Average Like-to-Like Sales Density** (9M15)

3,818
EGP / sqm / month
▲12% y-o-y

** Same store comparison, EGP 3,245 as at the end of September 2014.

Sectors Under Divestment: Microfinance

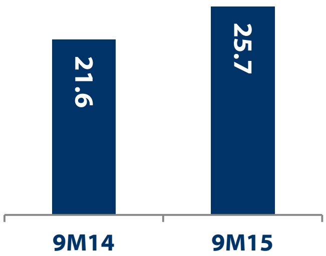
Tanmeyah Micro Enterprise Services was founded in March 2009 to extend microfinance loans in the range of EGP 1,000 to EGP 30,000 to small-scale businesses in Egypt and offer financial solutions to segments of the population who previously had no access to such services.

QH OWNERSHIP — 70%

Tanmeyah reports 64% y-o-y increase in Net Income in 3Q15

Tanmeyah reported solid results for both the third quarter and nine months of 2015, with revenues coming at EGP 33 million in 3Q15 and EGP 94 million in 9M15, up 48% and 43% y-o-y, respectively. The improved performance comes on the back of growth in the lender's loan portfolio and ticket size.

Net Income
EGP 25.7 mn
(9M15)



Net Income meanwhile climbed an impressive 64% y-o-y in 3Q15 standing at EGP 10.5 million while the nine months period turned a bottom-line of EGP 25.7 million, up 19% compared to the same period last year.

Total loans extended by Tanmeyah increased 42% y-o-y in 9M15 to reach EGP 628 million compared to 9M14's figure of EGP 442.7 million. The increase in loan book was supported by the company's expanded branch network and increased number of active borrowers to 106 thousand individuals from c.82 thousand in the comparable period last year. Total outstanding loans stood at EGP 477.4 million in 9M15, up 37% y-o-y.

Amount of Loans Outstanding (9M15)
477.4
EGP mn
▲37% y-o-y

Total Loans Issued in the Period (9M15)
628
EGP mn
▲42% y-o-y

Number of Active Borrowers (9M15)
106,012
Clients
▲30% y-o-y

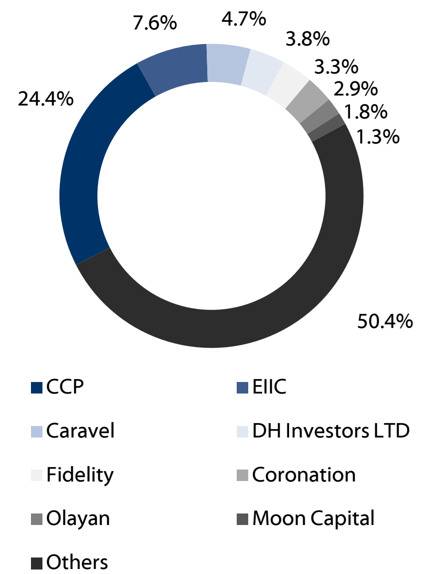
ENERGY

CEMENT

TRANSPORTATION & LOGISTICS

MINING

SHAREHOLDER STRUCTURE
(as of 2 November, 2015)



Forward Looking Statements

Statements contained in this Business Review that are not historical facts are based on current expectations, estimates, projections, opinions and beliefs of Qalaa Holdings. Such statements involve known and unknown risks, uncertainties and other factors, and undue reliance should not be placed thereon. Certain information contained herein constitutes “targets” or “forward-looking statements,” which can be identified by the use of forward-looking terminology such as “may,” “will,” “seek,” “should,” “expect,” “anticipate,” “project,” “estimate,” “intend,” “continue” or “believe” or the negatives thereof or other variations thereon or comparable terminology. Actual events or results or the actual performance of Qalaa Holdings may differ materially from those reflected or contemplated in such targets or forward-looking statements. The performance of Qalaa Holdings is subject to risks and uncertainties.

CCAP.CA on the Egyptian Stock Exchange

Investor Relations Contacts

Mr. Amr El-Kadi	Mr. Tamer Darwish
Head of Investor Relations	Investor Relations Officer
akadi@qalaaholdings.com	tdarwish@qalaaholdings.com
Tel: +20 2 2791-4440	Tel: +20 2 2791 4440
Fax: +20 2 2791-4448	Fax: +20 2 2791-4448